

## Message Text

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ACTION STR-04

INFO OCT-01 EA-07 ISO-00 EB-07 COME-00 FEA-01 AGR-05

CEA-01 CIAE-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /088 W

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P 220529Z SEP 75

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC PRORITY 1559

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E.O. 11652: N/A

TAGS: ETRD, TH

SUBJ: MOTOR VEHICLE DOMESTIC CONTENT REQUIREMENTS

REF: STATE 218027

1. FOR IMPORT OF NEW MOTOR VEHICLES, THAILAND HAS NO DOMESTIC CONTENT REQUIREMENT.
2. THE IMPORT OF USED VEHICLES INTO THAILAND OFFICIALLY IS BANNED EXCEPT FOR THOSE WITH DUTY FREE PRIVILEGES. HOWEVER, SOME USED AUTOMOBILES ARE IMPORTED BY RRETURNING STUDENTS AND SOME ARE DRIVEN ACROSS THE THAI-MALAY BORDER, UPON PAYMENT OF BRIBES TO CUSTOMS.
3. FOR MOTOR VEHICLES ASSEMBLED IN THAILAND, THERE IS A REQUIREMENT OF 25 PERCENT LOCAL CONTENT WHICH CAME INTO EFFECT DECEMBER, 1974. HOWEVER, PENALTIES FOR NONCOMPLIANCE HAVE BEEN LIGHT (I.E., PAYMENT OF PENALTY ON BASIS OF SPARE PARTS DUTY RATE WHICH IN SOME CASES IS EVEN LESS THAN DUTY FOR IMPORT OF COMPONENTS.) ONLY NOW IS THE MINISTRY OF INDUSTRY ATTEMPTING TO FORCE COMPLIANCE WITH THE LOCAL CONTENT REQUIREMENT BY REQUIRING ASSEMBLERS TO PAY MUCH

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HIGHER PENALTIES, BUT THE DEPARTMENT OF CUSTOMS, WHICH

ENFORCES THE REGULATION, REPORTEDLY HAS NOT YET AGREED.  
THUS, MANY OF THE FIFTEEN FACTORIES ASSEMBLYING MOTOR  
VEHICLES (NINE AUTOMOBILE OR AUTOMOBILE/TRUCK PLANTS AND  
SIX TRUCK ASSEMBLY PLANTS) USE MORE THAN 75 PERCENT FOREIGN  
CONTENT SINCE THE THAI VEHICLE COMPONENT MANUFACTURING  
INDUSTRY IS STILL IN ITS INFANCY AND SOME OF THE PARTS DO  
NOT MEET FOREIGN STANDARDS.

4. ACCORDING TO LOCAL GM REP, WHO SEEMS GENUINELY WORRIED  
ABOUT DIFFICULTY IN MEETING 25 PERCENT LOCAL CONTENT RE-  
QUIREMENT, CONSIDERATION NOW IS BEING GIVEN TO REVISING THE  
LAW TO REQUIRE CERTAIN SPECIFICALLY DESIGNATED LOCALLY  
MANUFACTURED COMPONENTS TO BE USED IN ASSEMBLED VEHICLES.  
THIS PROPOSAL ALLEGEDLY IS RELATED TO PRESSURE FROM CERTAIN  
PARTS MANUFACTURERS, MANY WITH JAPANESE AFFILIATIONS.  
MASTERS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SAFETY, REGULATIONS, IMPORTS, AUTOMOBILES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 SEP 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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